

Guide for Review of Homebuyer Programs			
Participating Jurisdiction (PJ):		Subrecipient:	
Staff Consulted:			
Program Amount:		FY Reviewed:	
Name(s) of Reviewer(s)		Date	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding**."

Instructions: This Exhibit is for use in assessing the overall administration of the PJ's HOME and/or ADDI homebuyer assistance programs. Nearly all HOME requirements apply to ADDI-funded homebuyer projects (match and Uniform Relocation Act requirements differ), so all of the HOME-related questions in this Exhibit also apply to ADDI-funded projects. Note, however, that additional requirements apply to ADDI; separate ADDI questions are included to cover those requirements. The Exhibit is divided into ten sections: Program Recordkeeping; Participant Eligibility; Property Eligibility; Property Standards; Eligible/Reasonable Costs; Other Requirements; Contractor Selection; Construction Management; Resale/Recapture Options; and Written Agreements. Not all sections may be applicable, depending on the structure of the PJ's program. The Exhibit may be used alone or in conjunction with Exhibit 7-5, "Guide for Review of Homebuyer Projects." It may also be used as an interview instrument for program staff. If an area or question is not examined, make a note to this effect in the "Describe Basis for Conclusion" section. Regarding the selection of files to be sampled, the guidance in Section 7-4 in the introduction to this Chapter should be followed.

Questions:**A. PROGRAM RECORD KEEPING**

1.

Based upon a review of project files, is the documentation being maintained sufficient to demonstrate compliance in the following areas:		
a. Income eligibility? [24 CFR 92.203; HOME: 24 CFR 92.254(a)(3); ADDI: 24 CFR 92.610(c) and 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. Written agreement? [HOME: 24 CFR 92.504; ADDI: 24 CFR 92.616(e)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c. Principal residency? [HOME: 24 CFR 92.254(a)(3); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
d. Approved form of ownership? [HOME: 24 CFR 92.2 and 24 CFR 92.254(c); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
e. Property type (single family 1-4)? [HOME: 24 CFR 92.2 and 92.254(a)(1); ADDI: 24 CFR 92.602(a)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
f. Property value? [HOME: 24 CFR 92.254(a)(2); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
g. Minimum HOME investment? [HOME: 24 CFR 92.205(c); ADDI: 24 CFR 92.602(e)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
h. Maximum per unit subsidy? [HOME: 24 CFR 92.250(a); ADDI: 24 CFR 92.612(a)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
i. Resale/Recapture requirement? [HOME: 24 CFR 92.254(a)(5); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
j. Property standards (including lead-based paint)? [HOME: 24 CFR 92.251; ADDI: 24 CFR 92.612(b)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
k. Eligible costs? [HOME: 24 CFR 92.206; ADDI: 24 CFR 92.602(b)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
l. Subsidy layering (if applicable)? [HOME: 24 CFR 92.250(b); ADDI: 24 CFR 92.612(a)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A		
Describe Basis for Conclusion:		

2.

Are records maintained for five years after project completion? [HOME: 24 CFR 92.508(c)(2); ADDI: 24 CFR 616(i)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

3.

Are documents imposing resale/recapture provisions maintained for five years after the termination of the affordability period? [HOME: 24 CFR 92.508(c)(2); ADDI: 24 CFR 616(i)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

B. PARTICIPANT ELIGIBILITY

4.

Are procedures in place to ensure that income eligibility is determined in accordance with 24 CFR 92.203(b) and the <i>Technical Guide for Determining Income and Allowances for the HOME Program?</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

5.

Are the appropriate HOME income limits used for all applicants? [24 CFR 92.2, "Low-income family;" HOME: 24 CFR 92.254(a)(3); and ADDI: 24 CFR 92.602(a)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

6.

Is the same definition of income used for all applicants?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

7.

Is income projected consistently for all applicants?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

8.

Are there procedures to ensure that assisted households qualify as low-income pursuant to 24 CFR 92.254(a)(3)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

9.

Are there procedures to ensure that income determinations were made not more than 6 months before the HOME funds were committed to the homebuyer pursuant to 24 CFR 92.203(d)(2)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

10.

Are there procedures to ensure that income determinations are based upon source documentation pursuant to 24 CFR 92.203(a)(2)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

11.

Are there procedures to ensure that the assisted homebuyers will occupy properties as a principal residence (e.g., written agreements) pursuant to 24 CFR 92.254(a)(3)?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

12.

Does the PJ take appropriate actions when a homebuyer is found in noncompliance with the principal residency requirements? [HOME: 24 CFR 92.504(a)(5); ADDI 24 CFR 92.612(c)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

13.

Do the files show that HOME funds are used for acceptable forms of ownership (fee simple title, 99 year lease or 50 year lease on Indian lands, or other approved form)? [24 CFR 92.2, "Homeownership"; HOME: 24 CFR 92.203(a)(2); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

C. PROPERTY ELIGIBILITY

14.

Are there procedures to confirm that the units qualify as HOME-eligible single-family properties under the program pursuant to 24 CFR 92.254(a)(1)?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

15.

Are there procedures for ensuring that all projects will require an investment of at least \$1,000 of HOME funds per HOME-assisted unit, but no more than the maximum HOME subsidy amount pursuant to 24 CFR 92.205(c) and 24 CFR 92.250(a)?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

16.

Is there a procedure in place to ensure that the value of properties assisted does not exceed 95% of area median purchase price for single-family housing pursuant to 24 CFR 92.254(a)(2) and 24 CFR 612(c)?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

17.

For projects involving rehabilitation, are value estimates determined using appropriate methods (e.g., appraisal, tax records, estimate by qualified staff)? [HOME: 24 CFR 92.254(b); ADDI: 24 CFR 612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

18.

For projects involving rehabilitation, are value estimates based upon after-rehabilitation value? [HOME: 24 CFR 92.254(a)(2)(ii); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

D. PROPERTY STANDARDS

19.

Has the PJ adopted written rehabilitation standards for rehabilitation work? [HOME: 24 CFR 92.251(a)(1); ADDI: 24 CFR 612(b)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

20.

Where HOME funds are used for acquisition only, are there inspection procedures in place to ensure that all properties purchased meet property standards pursuant to 24 CFR 92.251(a)(2)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

21.

Where HOME funds are used for acquisition and rehabilitation:			
a. Is there a system in place to ensure that all properties meet the necessary standards pursuant to 24 CFR 92.251?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
b. Did the work write-ups include enough detail to enable contractors to provide a reliable bid (if applicable)? [24 CFR 92.505(a) (HOME) and 24 CFR 92.616(f) (ADDI); 24 CFR 85.36(c)(3)(i) and 85.36(d)(2)(i)(A)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
c. Were routine inspections performed? [24 CFR 92. 505(a) (HOME) and 24 CFR 92.616(f) (ADDI); 24 CFR 85.36(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
d. Do final inspections confirm that all contract work was completed? [24 CFR 92.505(a) (HOME) and 24 CFR 92.616(f) (ADDI); 24 CFR 85.36(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
e. Did on-site visits show that properties met applicable property standards? [24 CFR 92. 505(a) (HOME) and 24 CFR 92.616(f) (ADDI); 24 CFR 85.36(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

22.

If projects involve rehabilitation that will occur after purchase, are there procedures to ensure that the property is free of health and safety defects before occupancy pursuant to 24 CFR 92.251(b)(1) and (2)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

23.

If projects involve rehabilitation that will occur after purchase, are there procedures to ensure that all property standards are met within 24 months of occupancy pursuant to 24 CFR 24 92.251(b)(3)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

E. ELIGIBLE/REASONABLE COSTS

24.

Are there procedures in place to ensure that all costs paid with HOME funds are eligible under 24 CFR 92.205?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

25.

Are procedures in place to ensure that assisted homebuyers do not receive excessive subsidy?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

26.

Does the PJ conduct a subsidy layering review when HOME is combined with other public subsidies? [HOME: 24 CFR 92.250(b); ADDI: 24 CFR 92.612(a)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: 			

F. OTHER REQUIREMENTS

27.

Does the PJ have a procedure to ensure that environmental review requirements are met? (Use the appropriate Exhibit(s) in Chapter 21 to respond to this question.) [HOME: 24 CFR 92.352; ADDI: 24 CFR 92.614(a)(2)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

28.

Does the PJ have a procedure to ensure that labor standards requirements are met for projects involving construction of 12 or more HOME-assisted units pursuant to 24 CFR 92.354?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

29.

Does the PJ have a procedure to ensure that projects meet the lead safety regulations of Part 35 pursuant to 24 CFR 92.355, if applicable? (See Lead Hazard Monitoring Guidance, Exhibits 24-1, 24-2, 24-3 or 24-4.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

30.

Has the PJ adopted affirmative marketing procedures for projects with five or more HOME-assisted units? [Note: This requirement does not apply to ADDI funds pursuant to 24 CFR 92.614(b)(2)] [24 CFR 92.351]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

G. CONTRACTOR SELECTION (if applicable)

31.

If the PJ selects contractors, is a competitive bidding process used (i.e., public invitation for bids; multiple bids solicited; cost reasonableness test applied)? [24 CFR 92. 505(a) (HOME) and 24 CFR 92.616(f) (ADDI);24 CFR 85.36(c)]	<table border="0"><tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr><tr><td>Yes</td><td>No</td><td>N/A</td></tr></table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
Describe Basis for Conclusion: 							

32.

Does the PJ have a procedure for ensuring that its contractors are not excluded, disqualified or otherwise ineligible (e.g., suspension, debarment, or limited denial of participation) for Federal procurement and nonprocurement programs at the time of contract execution or during the period of project work pursuant to 24 CFR 92.350(a) (HOME) and 24 CFR 92.614(a) (ADDI); 24 CFR 92.505(a) (HOME) and 24 CFR 92.616(f) (ADDI); and 24 CFR 85.35?	<table border="0"><tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr><tr><td>Yes</td><td>No</td><td>N/A</td></tr></table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
Describe Basis for Conclusion: 							

H. CONSTRUCTION MANAGEMENT (if applicable)

33.

Are there regular inspections of projects to assess rehabilitation progress? [24 CFR 92.505(a) (HOME) and 24 CFR 92.616(f) (ADDI); 24 CFR 85.36(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

35.

Prior to processing payment requests, does program staff inspect projects to confirm that the contractor has adequately performed all the work specified in the request? [24 CFR 92.505(a) (HOME) and 24 CFR 92.616(f) (ADDI); 24 CFR 85.36(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

36.

Is there an adequate system for reviewing and approving requests for change orders? [24 CFR 92.505(a) (HOME) and 24 CFR 92.616(f) (ADDI); 24 CFR 85.36(b)(2) and 85.36(f)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

37.

Are there adequate procedures for resolving disputes between the contractor and the homebuyer? [24 CFR 92.505(a) (HOME) and 24 CFR 92.616(f) (ADDI); 24 CFR 85.36(b)(11)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: 			

38.

Is there a contract administration system that ensures that contractors perform in accordance with the terms of their contracts? [24 CFR 92.505(a) (HOME) and 24 CFR 92.616(f) (ADDI); 24 CFR 85.36(b)(2)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: 			

39.

If the program involves construction, does the PJ have procedures for reviewing cost estimates and evaluating whether they are cost reasonable? [24 CFR 92.505(a) (HOME) and 24 CFR 92.616(f) (ADDI); 24 CFR 85.36(f)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: 			

40.

Are cost estimates reviewed by a person other than the person performing the inspection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

41.

Is the actual cost of the work documented? [24 CFR 92.505(a) and 92.508(a)(3) (HOME); 24 CFR 92.616(f) and 92.616(i) (ADDI); 24 CFR 85.20(b)(6)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

I. RESALE/RECAPTURE OPTIONS

42.

Have recapture or resale options been imposed on all assisted properties? [HOME: 24 CFR 92.254(a)(5); ADDI 24 CFR 92.612(c)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

43.

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If recapture provisions are used, are requirements incorporated into a deed or trust and/or promissory? [HOME: 24 CFR 92.254(a)(5)(ii); ADDI 24 CFR 92.612(c)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

44.

If resale options have been imposed, are deed restrictions or covenants running with the land placed on each property for the period of affordability? [HOME: 24 CFR 92.254(a)(5)(i); ADDI 24 CFR 92.612(c)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

45.

Are there adequate procedures and controls in place to ensure that PJ is aware that a homebuyer is reselling the property during the period of affordability? [24 CFR 92.505(a) (HOME) and 24 CFR 92.616(f) (ADDI); 24 CFR 85.20(b)(3)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

J. WRITTEN AGREEMENTS

46.

Do project files include written agreements between the PJ and homebuyer? [HOME: 24 CFR 92.504(c)(5); ADDI: 24 CFR 92.616(e)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

47.

Do written agreements contain all required provisions? (See Exhibit 7-14, “Guide for Review of Beneficiary Written Agreements.”) [HOME: 24 CFR 92.504(c)(5); ADDI: 24 CFR 92.616(e)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		